

**African Development Bank  
Integrity and Anti-Corruption Department  
Immeuble CCIA, Avenue Jean Paul II  
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Abidjan, Cote d'Ivoire**

Bremen, 13th April 2015

**Suspected Credit Fraud by Moulins Modernes du Mali (M3)**

Dear members of the Board of Governors,  
dear members of the Anti-Corruption and Fraud Investigation services,

we would like to discuss a very serious issue. The reason we are contacting you is that the Malian contractor Modibo Keita, whose company Moulins Modernes du Mali (M3) received on the 17<sup>th</sup> of September 2014 a credit from the African Development Bank amounting to 16.8 million euros (10.8 million CFA). There is evidence that Modibo Keita has received this loan solely by deliberately providing misleading and/or fraudulent information to the African Development Bank.

Of particular concern is an unresolved conflict over land between Moulins Modernes du Mali and the two villages Sanamadougou and Sahou that has been going on since May 2010 and during which severe human rights violations have been committed on several occasions. These incidents have become well known far beyond Malian national borders: The case has been examined in a recent report that has been published by the renowned American Oakland Institute (1). Additionally the human rights organisation FIAN, which operates in over 50 countries, extensively addressed the issue in a 100-page-report in December 2014 (2). Furthermore, numerous journalists and delegates of the Malian and international public have visited both villages, among them activists from our network, who have visited Sanamadougou and Sahou seven times since January 2014. The last visit of a Malian/European delegation took place in March 2015.

The ongoing conflict over land (that has resulted in Sanamadougou in particular losing almost 100% of its agricultural land) is the reason why Germany – among other countries – has abstained from voting in the above mentioned decision to grant credit to Moulins Modernes du Mali. This information was disclosed to us on the 19<sup>th</sup> of February 2015 during a meeting at the German Federal Ministry for Economic Cooperation and Development in Bonn, in which participated: four representatives from our network and eight members of: the Federal Ministry, the Germany Investment and Development Company (DEG), the KfW Development Bank and the German embassy in Mali. Additionally, at this meeting we were informed that the committee of the African Development Bank

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had only agreed to grant the credit to Modibo Keita under two conditions: First, that no more court proceedings were pending; second, that the families affected had received financial compensation. Modibo Keita claimed both conditions had been met. However, as we have learnt at our latest delegation visit four weeks ago, both these assertions were inaccurate. More precisely: The court proceedings that started on the 22<sup>nd</sup> of February 2012 have not finished, they have merely been suspended; only 8 families (7 in Sanamadougou and 1 in Sahou) have accepted compensation— which is a logical consequence of the fact that the villagers do not want financial compensation, but the return of their land (not to mention the fact that the legal proceedings have never been brought to a close).

Against this background, we would like to appeal to the African Development Bank to urgently review the recent credit agreement with Modibo Keita. Not only because this conflict over land prevents sustainable development and social progress in the affected region – which stands in stark contrast to the aims of your institution – but also because the African Development Bank explicitly takes a firm stand against fraud, corruption and other illegal activities.

In order to substantiate our accusation, we would like to present the results of our latest research as briefly as possible— however, beforehand we would like to elaborate on the link between our network Afrique-Europe-Interact and Sanamadougou and Sahou.

#### **a) The Link between Afrique-Europe-Interact and Sanamadougou and Sahou**

Afrique-Europe-Interact is a grassroots network with initiatives in Mali, Burkina Faso, Togo, Germany, Austria and the Netherlands. We work on a voluntary basis on both continents and are funded exclusively through donations. Members of our network have regularly visited Sanamadougou and Sahou since early 2014; in May 2014 and in March 2015 European members of our network have also participated in these visits. In August 2014 we supported Sanamadougou and Sahou with four tons of millet to bridge the food shortage that still continues to this day. Additionally, in Germany we have organised several rallies in solidarity. On the 27<sup>th</sup> of November a large farmers assembly took place, supported by our network; several Malian journalists also participated. Ten activists from Bamako and three from Europe have participated in our latest (but not last) delegation visit (6<sup>th</sup> – 10<sup>th</sup> March 2015), the focus here was talks to individuals and an exchange of small groups, as well as two meetings with the inhabitants of Sanamadougou and Sahou (3).

#### **b) History of the Conflict**

The history of the conflict cannot be quickly summarized, especially because of the numerous initiatives and protests that have been organised by the villages' inhabitants during its course. That is why we would like to refer to the aforementioned FIAN report, published in December 2014, which delineates the events until the end of 2013. Another report has been compiled by the Malian government in June 2014; however, the village chiefs of Sanamadougou and Sahou have contradicted this account in a detailed letter, as a result of which a new report has since been commissioned (4). Finally, in October 2014, we outlined the events ourselves in a letter to the Malian president Boubacar Keita; this letter is documented on our website (5).

### **c) Legal disputes in the conflict over land**

The first legal disputes began in June 2010 when Modibo Keita - without warning - ordered the logging of numerous trees that had been essential for the village's agroforestry. More than 40 farmers were arrested, others were injured – some seriously – by the security forces on site. Court proceedings began, charging villagers with Breach of the Peace and were concluded in 2011; in the end four villagers were convicted. The villagers decided not to appeal the court's decision, because at that point in time they did not see any chance of success.

The villages on their part have also attempted to resolve the dispute through the courts: proceedings began on the 22<sup>nd</sup> of February 2012 in Markala, but were delayed after only four days of proceedings. To be specific, the latest order of the court in this case was issued on the 20<sup>th</sup> of December 2012. At the time, an external reviewer was appointed who was supposed to provide an expert's report on the controversial issues. However, this never happened, as Mr Me Amadou T. Diarra, the former lawyer of the two villages, confirmed in March 2015. The exact reasons why a report was never issued are uncertain. All we know is that the lack of funds on behalf of the village inhabitants and the supporting organisations played a significant role. Against this background, the two villages have retained with our support a new lawyer who has already contacted the court in Markala and taken action to continue the proceedings.

The central question of the unfinished court proceedings is: How do the areas farmed by Moulins Modernes du Mali correspond with the region assigned in the lease contract? The issue is that the relevant territory is described only rather vaguely in the contract. The contract's wording:

"The property is bordered as follows:

- in the North by the property of FORAS and the property of ECORICE;
- in the South by the Fala de Boky- Wéré;
- in the East by the property of SOSUMAR;
- in the West by the property SOSUMAR."

We have had comprehensive talks with the inhabitants of Sanamadougou and Sahou about these boundaries. Moreover, we examined the area described in the contract by motorbike. As a result, two things became apparent: first, that the boundaries set out in the contract do not correspond to the observable reality regarding the cardinal directions; second, that the area seems to be significant larger than 7,400 hectares described. Additionally – and this is arguably the biggest contradiction – the canal Fala de Boky-Wéré which, in article 5.6 of the contract, is stated to be the location of water abstraction, is approximately 20 to 30 kilometres away from the agricultural land currently used by Moulins Modernes du Mali: an entirely different canal is utilised for the actual water abstraction. Together, these issues demonstrate that the controversial question about which areas are officially intended for use by Moulins Modernes du Mali have not been solved – and will probably only be solved, if a cartographic map, that is equally accessible to all affected parties, is utilised.

Finally, we would like to draw your attention to a third legal dispute that we became aware of during our talks in Sanamadougou and Sahou: Against the background of the unfinished trial in Markala, the villages applied to the courts on the 3<sup>rd</sup> of May 2013 that the works be temporarily suspended until the original trial was concluded. However, this case was dismissed by the court for substantive and formal reasons. It needs to be emphasized that the information that served as a basis for this

decision is still in need of elucidation. For example, the corresponding verdict from the 19th of June 2013 states that Moulines Modernes du Mali had established the boundaries of its areas based on GPS data. This is, however, implausible, as one of the key problems is precisely the absence of any clearly defined boundaries in the contract.

In light of the above, it should be obvious that the assertion “no court proceedings are pending” presented in the credit negotiations by Modibo Keita, is more than doubtful. Therefore, we would like to appeal to the African Development Bank to carry out an investigation into this matter. At the same time we have requested the new lawyer to inform us promptly about any developments in the resumed proceedings.

#### **d) Compensation**

Concerning compensation, Modibo Keita presented the African Development Bank with a list of all the names of those families that supposedly have received compensation in Sanamadougou and Sahou. We have received this information from an employee of the German embassy in Bamako who has viewed this list. This information caused some indignation among the inhabitants of the villages. According to the villagers, only a small number of families accepted a - merely symbolic - compensation for the loss of their land, at an early stage of the conflict: specifically, one family in Sahou and seven families in Sanamadougou. To substantiate their statement, the inhabitants of Sanamadougou and Sahou have compiled two lists (attached to this document) that detail the names (and signatures) of all families that have not received any compensation. In this context, the fact that the villagers almost unanimously reject compensation should not be overlooked. The main reason for this rejection is that they question the lawfulness and political legitimacy of Moulines Modernes du Mali’s actions. From their perspective it is even more incomprehensible that the rumour that many families had accepted compensation continues to persist – despite numerous and unambiguous rectifications from both villages (the last time in the aforementioned letter from June 2014).

From our perspective this means that we would like to ask the African Development Bank to closely examine the lists created by Modibo Keita. Especially, it needs to be clarified which names are on these lists and it would also be desirable to compare this information with the tax and resident registration office. To put it more precisely: Have the signatures been forged or are the persons listed, inhabitants from other villages? Or, as some villagers suspect, has Modibo Keita on paper split up the seven families that have accepted compensation into smaller family units, and so artificially increased the number of signatures? It also needs to be established, if any of the 25 families are on the list that admittedly pay taxes in Sanamadougou, but in fact live in a neighbouring village which so far has not been affected from loss of land (Dossiguila).

Finally, we would like to point out that for reasons of clarity and comprehensibility these issues have only been outlined and by no means been presented to their full extent. One of the reasons for this is our desire to address, within one letter, as many people as possible, who are directly or indirectly responsible for the occurrences in Sanamadougou and Sahou. On the one hand, because both of the villages face an immediate threat to their existence and with that the livelihood of several thousand people is at risk. On the other hand, because the case affects fundamental questions of good governance – in the case at hand, this dimension is asking especially how to deal with the specific recommendations of the World Agriculture Report (2008), in an area like Office du Niger that is characterised mainly by smallholding agriculture. At this point we would like to extend an invitation

that you are welcome to contact us anytime. We also could establish personal contact to inhabitants of Sanamadougou and Sahou or to members of our network in Bamako.

Kind regards,



Volker Mörchen

(1) See report (engl.): <http://www.oaklandinstitute.org/understanding-land-investment-deals-africa-mali>

(2) see report (fr.):

[http://www.fian.org/en/news/article/detail/land\\_grabbing\\_and\\_human\\_rights\\_in\\_mali/](http://www.fian.org/en/news/article/detail/land_grabbing_and_human_rights_in_mali/)

(3) See photos: <http://afrique-europe-interact.net/1301-1-Mobilisation-Office-du-Niger-March-2015.html>

(4) See the report and the letter (fr.): (4) Voir lettre: <http://afrique-europe-interact.net/1311-2-Lettre-Sanamadougou-et-Sahou-Juillet-2015.html>

(5) <http://afrique-europe-interact.net/1310-2-Lettre-Ouverte-au-Prsident-malien.html>

### **Annex**

Two lists that detail the names (and signatures) of all families that have not received any compensation.

Village de Sanamadougou le 10/03/2015

Nous, chefs de famille et des menages ci-dessous nommés indignons que aucun de nous n'a reçu de l'argent en espèce ni autres dédommagements matériels de la part de Monsieur Modibo Keita, de se faite nous revendiquons encore et toujours notre droits coutumiers sur les terres de nos ancêtres nous signons cette petitions pour servir et valoir ce que de droits.

| N° | Noms                    | Prenoms       | Nombre de membres dans la famille | Signature |
|----|-------------------------|---------------|-----------------------------------|-----------|
| 1  | <del>Ma</del> Coulibaly | Madou ojo     | 9                                 | D         |
| 2  | Dembele                 | Mosse         | 50                                | +         |
| 3  | Coulibaly               | Ton Massa     | 35                                | +         |
| 4  | Diarra                  | Bamassa       | 41                                | 0         |
| 5  | Dembele                 | Kony          | 25                                | +         |
| 6  | Coulibaly               | Soumaïla      | 6                                 | +         |
| 7  | Diarra                  | Moussa        | 6                                 | x         |
| 8  | Diarra                  | Soulemane     | 13                                | 0         |
| 9  | Diarra                  | Fasson        | 7                                 | +         |
| 10 | Coulibaly               | Bahimin       | 35                                | +         |
| 11 | Coulibaly               | Bakary        | 25                                | +         |
| 12 | Coulibaly               | Seydou        | 6                                 | +         |
| 13 | Coulibaly               | Oumar N'Gassa | 39                                | +         |
| 14 | Coulibaly               | Bourama       | 5                                 | 0         |
| 15 | Diarra                  | Kony          | 46                                | 0         |
| 16 | Tangara                 | Lamine        | 20                                | +         |
| 17 | Diarra                  | N'Ko          | 17                                | 0         |



|    |                   |                         |     |   |
|----|-------------------|-------------------------|-----|---|
| 18 | Diarra            | Nafa                    | 15  | ⊙ |
| 19 | Ballo             | <del>Ballo</del> Barema | 17  | ⊙ |
| 20 | Ballo             | Konibe                  | 8   | ⊙ |
| 21 | Ballo             | Sontoro                 | 19  | ⊙ |
| 22 | <del>Ballo</del>  | Mathia                  | 12  | ⊙ |
| 23 | Diarra            | Yacouba                 | 10  | ⊙ |
| 24 | Daou              | Barimadje               | 180 | ⊙ |
| 25 | Coulibaly         | Sidiblen                | 46  | ⊙ |
| 26 | Diarra            | Moetar                  | 57  | ⊙ |
| 27 | <del>Diarra</del> | Tieboro                 | 05  | ⊙ |
| 28 | Diarra            | Madougnama              | 21  | ⊙ |
| 29 | Diarra            | Tieman                  | 31  | ⊙ |
| 30 | Diarra            | Dasson                  | 12  | ⊙ |
| 31 | Diarra            | Natoura                 | 15  | ⊙ |
| 32 | Diarra            | Barima Fankelen         | 25  | ⊙ |
| 33 | Diarra            | Choba                   | 05  | ⊙ |
| 34 | Coulibaly         | Dramane Cho             | 10  | ⊙ |
| 35 | Diarra            | Moussa                  | 13  | ⊙ |
| 36 | Diarra            | Bakary Bakoto           | 16  | ⊙ |
| 37 | Diarra            | Bassi                   | 09  | ⊙ |
| 38 | Diarra            | Siaka Binké Boly        | 18  | ⊙ |
| 39 | Diarra            | Anassa                  | 21  | ⊙ |
| 40 | Diarra            | Soulemane               | 15  | ⊙ |
| 41 | Diarra            | Batieman                | 24  | ⊙ |
| 42 | Diarra            | Soungoba                | 10  | ⊙ |
| 43 | Diarra            | Modibo                  | 10  | ⊙ |
| 44 | Diarra            | N'ji                    | 25  | ⊙ |

|    |                                |              |     |   |
|----|--------------------------------|--------------|-----|---|
| 45 | Diarra                         | Ladji NiKa   | 08  | ♂ |
| 46 | Diarra                         | Magnama      | 11  | ♂ |
| 47 | Coulibaly                      | Karamogo     | 15  | ♂ |
| 48 | Coulibaly                      | Sehou        | 05  | ♂ |
| 49 | Coulibaly                      | Donna        | 04  | m |
| 50 | Coulibaly                      | Siberutie    | 05  | ♂ |
| 51 | Sangare                        | Barary       | 10  | ♂ |
| 52 | Coulibaly                      | Dusse        | 20  | ♂ |
| 53 | Coulibaly                      | Bodjoukou    | 12  | ♂ |
| 54 | Coulibaly                      | Barema       | 05  | ♂ |
| 55 | Diarra                         | Koko         | 31  | m |
| 56 | Diarra                         | Moussagnatie | 22  | ♂ |
| 57 | Coulibaly                      | Fousseyni    | 13. | ♂ |
| 58 | Coulibaly                      | Soungouba    | 15  | ♂ |
| 59 | <del>Coulibaly</del>           | Soujiri      | 13  | ♂ |
| 60 | <del>Coulibaly</del><br>Kraore | Yankoro      | 16  | ♂ |
| 61 | Tangara                        | Djokolo      | 08  | ♂ |
| 62 | Tangara                        | Kony         | 10  | ♂ |
| 63 | Tangara                        | Koko         | 20  | ♀ |
| 64 | <del>Coulibaly</del>           | Fatama       | 06  | ♂ |
| 65 | Coulibaly                      | Boih         | 11  | D |
| 66 | Coulibaly                      | Bina         | 06  | ♂ |
| 67 | Coulibaly                      | Seydou       | 11  | ♂ |
| 68 | Diarra                         | Fatama       | 15  | ♂ |
| 69 | Diarra                         | Toukane      | 21  | ♂ |
| 70 | Diarra                         | Fassoun      | 20  | ♂ |



|    |          |          |    |               |
|----|----------|----------|----|---------------|
| 71 | Diarra   | Dèdè     | 33 | 10            |
| 72 | Diarra   | Tahirou  | 12 | 28            |
| 73 | Diarra   | Balamè   | 16 | 25            |
| 74 | Diarra   | Melbaly  | 06 | <del>11</del> |
| 75 | Bouaré   | Abou     | 22 | 8             |
| 76 | Bouaré   | Daouda   | 07 | 8             |
| 77 | Diarra   | Bacherou | 51 | 8             |
| 78 | Coulbaly | Betlin   | 07 | 8             |
| 79 | Diarra   | Bagnini  | 19 | 8             |
| 80 | Diarra   | Battara  | 07 | F             |
| 81 | Diarra   | Zibiry   | 11 | 8             |
| 82 | Coulbaly | Binkè    | 16 | 8             |
| 83 | Coulbaly | Moussa   | 17 | 8             |
| 84 | Coulbaly | Betlin   | 32 | 8             |
| 85 | Coulbaly | Fouladjé | 23 | 8             |
| 86 | Diarra   | Niazon   | 10 | 8             |
| 87 | Diarra   | Bina     | 13 | 8             |
| 88 | Diarra   | Amadou   | 11 | 8             |
| 89 | Diarra   | Medibo   | 10 | 8             |

| Numéro<br>d'ordre de<br>familles. | Prénom et              | Nom des chefs de familles | Personnes<br>par familles | Engagement de<br>chefs de Familles |
|-----------------------------------|------------------------|---------------------------|---------------------------|------------------------------------|
| 01                                | Sékou                  | Coulibaly                 | 30                        |                                    |
| 02                                | Brouma                 | Coulibaly                 | 87                        |                                    |
| 03                                | Kassoum                | Diarra                    | 17                        |                                    |
| 04                                | Karim                  | Coulibaly                 | 15                        |                                    |
| 05                                | Drissa                 | Coulibaly                 | 13                        |                                    |
| 06                                | <del>Mouy</del>        | Coulibaly                 | 10                        |                                    |
| 07                                | Amidou                 | Coulibaly                 | 31                        |                                    |
| 08                                | Seydou 1 <sup>er</sup> | Coulibaly                 | 12                        |                                    |
| 09                                | Josa                   | Coulibaly                 | 07                        |                                    |
| 10                                | H                      | Coulibaly                 | 08                        |                                    |
| 11                                | Hou                    | Coulibaly                 | 15                        |                                    |
| 12                                | Seydou 2 <sup>e</sup>  | Coulibaly                 | 07                        |                                    |
| 13                                | Doulaye                | Coulibaly                 | 78                        |                                    |
| 14                                | Gaoussou               | Coulibaly                 | 12                        |                                    |
| 15                                | Korô                   | Cissé                     | 06                        |                                    |
| 16                                | Hobou                  | Tao                       | 08                        |                                    |

La liste des personnes qui  
dit nous aux dédomagements de  
Modibo Keita sur leur  
territoire à SAO

Total  
416